FragranceNet.com, Inc. v. FragranceX.com Inc. Doc. 53

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October 3, 2007

VIA ELECTRONIC FILING

Hon. A. Kathleen Tomlinson
United States District Court
Eastern District of New York
100 Federal Plaza
P.O. Box 9014
Central Islip, New York 11722

Re: FragranceNet.com, Inc. v. FragranceX.com, Inc., CV-06-2225

Dear Judge Tomlinson:

We are counsel to defendant FragranceX.com, Inc. We are writing in response to plaintiff's motion for a protective order.

The nature of this case, a copyright infringement action, is described in our response to plaintiff's motion to compel. By contrast with plaintiff's motion to compel, which seeks information far beyond the legitimate scope of discovery, all of the discovery sought by defendant is directed to information relevant to one of the elements of a copyright infringement claim, either ownership, infringement, or damages.

Topic No. 4(c) – Expense of Making the Registered Photographs

One of the issues on damages here, if infringement is found, is the contribution of plaintiff's infringed photographs to defendant's profits. A measure of the damage to plaintiff for copyright infringement that the courts have used is the value of use or the cost to acquire the copyrighted work. Nimmer on Copyright, §14.02[B][1], citing *Deltak, Inc. v. Advanced Systems, Inc.*, 767 F.2d 357, 361 (7th Cir. 1985) ("a value of use ... equal to the acquisition cost saved by infringement instead of purchase"); *accord Davis v. The Gap, Inc.*, 246 F.3d 152, 160-61 (2d Cir. 2001). Defendant accordingly seeks to discover the cost to plaintiff of having the copyrighted photographs produced, which plainly would reflect on the value of their use or their cost of acquisition.

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Topics 6 and 8. Plaintiff's sales and revenue generated, as alleged in the amended complaint.

One of the issues on damages here, if infringement is found, is whether the copyrighted photographs have any value in contributing to sales of perfumes. Nimmer on Copyright, §14.03. One of the ways of determining that is to see whether sales changed when the photographs were added to plaintiff's website or replaced by other photographs. At some point, plaintiff added the copyrighted pictures to plaintiff's website or, later, changed them for other pictures. The record of plaintiff's sales of products pictured will reflect the effect that the pictures had on sales.

Moreover, plaintiff itself brought this issue into the case by alleging that the use of the photographs "has generated substantial revenue." Second Amended Complaint, ¶1. While plaintiff alleges that it was defendants' use of the pictures that generated revenue, there is no reason to believe that the photographs only worked for defendant, and it would be probative if the photographs had no effect on plaintiff's revenue.

Topics 10 and 11. Plaintiff's Second Amended Complaint Alleging Market Success

It is a novel concept that plaintiff may plead a fact and defendant be forbidden to take discovery about it. Rule 26(b)(1), Fed. R. Civ. P. allows either party to discover matter "relevant to the claim or defense of any party" and the claims, in federal court, are framed by the pleadings; the complaint is a "short and plain statement of the claim." Rule 8(a)(2), Fed. R. Civ. P.

The requests objected to do nothing more than inquire about the allegations of paragraphs 11 and 12 of the Second Amended Complaint. If plaintiff's allegations in those paragraphs, concerning plaintiff's sales, are surplusage, they do not belong in this action. Rule 12(f), Fed. R. Civ. P. If they are not surplusage, they are part of the claim and a proper subject for discovery.

Plaintiff presumably pleaded its purported business efforts and success to enhance its claim that defendant copied plaintiff's pictures and that plaintiff deserves compensation for defendant's supposed infringement. Whether or not the Court later accepts this reasoning, these allegations are now part of the case and proper subjects of discovery.

The Court's consideration is appreciated.

Respectfully,

David Rabinowitz

cc: Robert L. Sherman, Esq. (via facsimile and first class mail)
Rebecca K. Myers, Esq. (via facsimile and first class mail)